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SENATOR KEYES: Senator DeCamp, this is dealing with professional corporations. We set them up some two or four years ago. The main reason that they were set up was to allow them the same tax advantage that other corporations have. Now if we allow a man to belong to one corporation, professional corporation, and then join another professional corporation and divide his income among the two corporations and the corporations now are paying less income tax than if they were individuals, is this going to effect not only state responsibility but his federal responsibility as far as income tax is concerned?

SENATOR DeCAMP: Well yes and no. It will put him in the same position as you as a farmer. If you want to have "family farm corporation" you can be a member of more than one corporation, so yes to that degree. It effects it. However, as a practical matter he's under a little different situation, a situation that you could say hurts him more and that is this -- under professional employees retirement ARESA, whatever that act is, if he owns more than 50 percent or more of a corporation he's forced by law to lump them altogether into one anyway. So you can say yes, it effects it and it could hurt him more. However, if he's going to be in commerce and business today it's almost absolutely necessary to be able to do these other things. As I say, particularly for a lot of these young doctors and lawyers who, when they go into practice, automatically incorporate. That's the way it's done, just the way it's developed with family farms and everything. If you want to do business today you have to almost use the business methods and corporations are it.

SENATOR KEYES: That was quite a long answer to what I was expecting but I did expect that. As it stands right now you can belong to, as a doctor, you can get in with six, seven, eight doctors and practice your trade, you can go into another office building and practice with five or six more doctors your trade and divide your trade between two corporations and find out that each one of these corporations do not pay an income tax like the individual. Your dividends coming back from these corporations will not be taxed as heavily as they would if they were private individuals. So what you are doing here is going to broaden this out so that the doctors, the lawyers, all professionals, and this may include the school teachers if they should decide to form a professional corporation which they can do under this bill, this would simply divide the income tax and make it far more feasible for these people, professionals, who probably are dealing in an intangible anyhow, to get by and not pay the income tax that is rightfully due on their income whether it's in one corporation, or whether they've got it divided among two, or whether they divide it among five. If they divide \$100,000 among five their professional corporation is taxed on \$20,000 for each one of them. A corporation does not pay the tax that the others....